

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Glenwood Post Office
Glenwood, Alabama

Docket No. A2012-25

ORDER AFFIRMING DETERMINATION

(Issued February 10, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012”.¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On October 20, 2011, Dan Jackson, Mayor of the Town of Glenwood (Jackson Petition) filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Glenwood, Alabama post office (Glenwood post office). Additional petitions for review were received from Enid Folmar (Petitioner Folmar); the Concerned Citizens of Glenwood (Petitioner Citizens of Glenwood); Billy W. Knight (Petitioner Knight); Wayne Gibson (Petitioner Gibson); and several Glenwood Alabama Residents (Petitioner Glenwood Residents) filed a petition with the Commission in support of the closure of the Glenwood post office.² The Final Determination to close the Glenwood post office is affirmed.³

II. PROCEDURAL HISTORY

On October 26, 2011, the Commission established Docket No. A2012-25 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.⁴

² Petition for Review received from Dan Jackson, Mayor of the Town of Glenwood regarding the Glenwood, Alabama Post Office 36034, October 20, 2011 (Jackson Petition). Additional petitions for review were received from Enid Folmar regarding the Glenwood, Alabama Post Office 36034, October 26, 2011 (Folmar Petition); the Concerned Citizens of Glenwood regarding the Glenwood, Alabama Post Office 36034, October 26, 2011 (Citizens of Glenwood Petition); Petition for Review received from Billy W. Knight regarding the Glenwood, Alabama Post Office 36034, October 26, 2011 (Knight Petition); Petition for Review received from Wayne Gibson regarding the Glenwood, Alabama Post Office 36034, November 1, 2011 (Gibson Petition); Petition in Support received from Anonymous Glenwood Alabama Residents regarding the Glenwood, Alabama Post Office 36034, November 1, 2011 (Anonymous Petition).

³ The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

⁴ Order No. 929, Notice and Order Accepting Appeal and Establishing Procedural Schedule, October 26, 2011.

On November 7, 2011, the Postal Service filed the Administrative Record with the Commission.⁵ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁶

Petitioners filed participant statements supporting their Petition.⁷ On December 30, 2011, the Public Representative filed reply comments.⁸

III. BACKGROUND

The Glenwood post office provides retail postal services and service to 142 post office box customers. Final Determination at 2. No delivery customers are served through this office. *Id.* The Glenwood post office, an EAS-13 level facility, provides retail service from 8:00 a.m. to 12:30 p.m. and 1:30 p.m. to 4:00 p.m. Monday through Friday, and 8:30 a.m. to 9:30 a.m. on Saturday. *Id.* Lobby access hours are 24 hours Monday through Saturday. *Id.* Retail services are also available at the Goshen post office, an EAS-16 level office located approximately 6 miles away. *Id.*

The postmaster position became vacant on April 24, 2010 when the Glenwood postmaster was promoted. *Id.* A non-career officer-in-charge (OIC) was installed to

⁵ The Administrative Record is attached to the United States Postal Service Notice of Filing, November 7, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Glenwood, AL Post Office and Establish Service by Independent Post Office (Final Determination). On December 15, 2011, the Postal Service filed an Addendum to the Administrative Record. United States Postal Service Notice of Supplemental Filing, December 15, 2011. The Commission's responsibility in adjudicating appeals of Postal Service determinations to close or consolidate post offices is limited to "the record before the Postal Service in the making of such determination[s]." 39 U.S.C. § 404(d)(5). The Addendum seeks to add post-record information for the Commission's consideration on appeal. By statute, the Commission is barred from considering any such materials and has not relied on the addendum in deciding this appeal.

⁶ United States Postal Service Comments Regarding Appeal, December 15, 2011 (Postal Service Comments).

⁷ Participant Statement received from Sylvester Boyd for the Concerned Citizens of Glenwood, November 18, 2011 (Citizens of Glenwood Participant Statement); Participant Statement received from Billy W. Knight, November 18, 2011 (Knight Participant Statement); Participant Statement received from Dan Jackson, Mayor of Glenwood, November 21, 2011 (Jackson Participant Statement); Participant Statement received from Wayne Gibson, November 28, 2011 (Gibson Participant Statement); Participant Statement received from Enid Folmar, December 6, 2011 (Folmar Participant Statement).

⁸ Reply Comments of the Public Representative, December 30, 2011 (PR Reply Comments).

operate the office. *Id.* at 11. Retail transactions average 24 transactions daily (26 minutes of retail workload). *Id.* at 2. Office receipts for the last 3 years were \$24,993 in FY 2008; \$24,101 in FY 2009; and \$22,221 in FY 2010. *Id.* There are no permit or postage meter customers. *Id.* By closing this office, the Postal Service anticipates savings of \$51,809 annually. *Id.* at 12.

After the closure, retail services will be provided by the Luverne post office located approximately 10 miles away.⁹ Delivery service will be provided by an independent post office under the administrative responsibility of the Luverne post office. *Id.* The Luverne post office is an EAS-18 level office, with retail hours of 8:30 a.m. to 4:30 p.m., Monday through Friday, and 8:30 a.m. to 12:00 p.m. on Saturday. *Id.* One hundred post office boxes are available. *Id.* The Postal Service will continue to use the Glenwood name. *Id.* at 11, Concern No. 2.

IV. PARTICIPANT PLEADINGS

Petitioners. Petitioners opposes the closure of the Glenwood post office. Petitioners raise concerns about the inconvenience and added travel to the Luverne post office. Citizens of Glenwood Petition at 1; Knight Participant Statement at 2. Petitioners believe that the closure of the Glenwood post office will create a hardship for the disabled and senior citizens. Folmar Participant Statement at 2; Citizens of Glenwood Participant Statement at 2. In addition, Petitioners argue that the estimated economic savings are inaccurate, that the Postal Service is closing the facility solely for economic reasons, and that the Postal Service failed to consider the cost of the additional travel to the Luverne post office for Glenwood customers. Gibson Petition at 1-3; Jackson Participant Statement at 1-2. Furthermore, they express concerns for the OIC and the termination of his employment. Folmar Participant Statement at 2.

⁹ *Id.* at 2. MapQuest estimates the driving distance between the Glenwood and Luverne post offices to be approximately 10.3 miles (18 minutes driving time). Retail services are also available at the Goshen post office. MapQuest estimates the driving distance between the Glenwood and Goshen post office to be approximately 6.4 miles (14 minutes driving time).

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Glenwood post office. Postal Service Comments at 2. The Postal Service believes the appeal raises 4 main issues: (1) the effect on postal services, (2) the impact on the Glenwood community, (3) the economic savings expected to result from discontinuing the Glenwood post office, and (4) the effect on employees. *Id.* at 2. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Glenwood post office should be affirmed. *Id.*

The Postal Service explains that its decision to close the Glenwood post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and a reduction in office revenue;
- a variety of other delivery and retail options (including the convenience of contract or rural delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

Id. at 4-5. The Postal Service contends that it will continue to provide regular and effective postal services to the Glenwood community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect on postal services, effect on the Glenwood community, economic savings, and effect on postal employees. *Id.*

Public Representative. The Public Representative expresses concern regarding the disadvantage a petitioner faces when the Postal Service files an amendment or supplement to the Administrative Record, which sometimes undermine the previous arguments made by petitioners. PR Reply Comments at 4.

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section 404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. *Id.* § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to close. On May 28, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Glenwood post office. Final Determination at 2. A total of 185 questionnaires were distributed to customers. *Id.* Other questionnaires were made available at the retail counter. *Id.* A total of 48 questionnaires were returned. *Id.* On June 6, 2011, the Postal Service held

a community meeting at Glenwood Town Hall to address customer concerns. *Id.* Eighty-three customers attended. *Id.*

The Postal Service posted the proposal to close the Glenwood post office with an invitation for comments at the Glenwood, Goshen, and Luverne post offices from June 27, 2011 through August 28, 2011. Final Determination at 2. The Final Determination was posted at the same 3 post offices from September 28, 2011 through October 28, 2011. *Id.*

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: (1) the effect on the community; (2) the effect on postal employees; (3) whether a maximum degree of effective and regular postal service will be provided; and (4) the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A). The Postal Service must also comply with the provisions of 39 U.S.C. § 101(b), which prohibits closing any small post office solely for operating at a deficit.

Effect on the community. Glenwood, Alabama is an incorporated community located in Crenshaw County, Alabama. Final Determination at 11. The community is administered politically by the Town of Glenwood. *Id.* Police protection is provided by the Glenwood Police Department. *Id.* Fire protection is provided by the Glenwood Fire Department. *Id.* The community is comprised of farmers, self-employed, retirees and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. See generally Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Glenwood community and solicited input from the

community with questionnaires. In response to the Postal Service's proposal to close the Glenwood post office, customers raised concerns regarding the effect of the closure on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 2.

Petitioners are concerned about the effect the discontinuance will have on the Glenwood community and the hardship senior citizens and the disabled will face with the added travel to the Luverne post office. Citizens of Glenwood Petition at 1; Folmar Participant Statement at 2; Gibson Petition at 3. Petitioners also express deep consideration for the history of the Glenwood post office and its connection to the community. Folmar Petition at 1. The Postal Service contends that it considered these issues and understands that a community's identity is derived from the interest and vitality of its residents. Postal Service Comments at 9. It explains that the community identity will be preserved through the continuing use of the Glenwood name in addresses. *Id.* Further, the Postal Service asserts that it will continue to provide regular and effective postal services to all residents of Glenwood. *Id.*

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Glenwood postmaster was promoted on April 24, 2010 and that an OIC has operated the Glenwood post office since then. Final Determination at 2. It asserts that the temporary OIC will either be reassigned or separated and that no other Postal Service employee will be adversely affected. *Id.*

Petitioners express gratitude for the services provided by the Glenwood post office employees and concern about the postmaster's employment status once the discontinuance is implemented. Folmar Participant Statement at 2; Knight Petition at 1. The Postal Service is appreciative and sympathetic to the Petitioners concerns but does not believe it outweighs the other considerations cited in support of the Final Determination. Postal Service Comments at 14.

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Glenwood post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Glenwood customers. Postal Service Comments at 5. It asserts that customers of the closed Glenwood post office may obtain retail services at the Luverne post office located 10 miles away. Final Determination at 2. Delivery service and retail services will be provided by an independent post office under the administrative responsibility through the Luverne post office. *Id.* The Postal Service indicates that the Glenwood post office has 142 post office box holders and that the proposed Administrative Office, Luverne post office, has 100 post office boxes available. Final Determination at 2. In addition, the Goshen post office (6.4 miles) has 152 available boxes. *Id.*

For customers choosing not to travel to the Luverne post office, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 8. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioners raise concerns about the security of their mail and its delivery by carrier as opposed to a post office box. Citizens of Glenwood Participant Statement at 2. The Postal Service notes that customers may place a lock on their mailboxes and there is minimal mail theft or vandalism activity in the area. Postal Service Comments at 6-7; Administrative Record, Item No. 14.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$51,809. Final Determination at 12. It derives this figure by summing the following costs: postmaster salary and benefits (\$48,549) and annual lease costs (\$3,240). *Id.*

Petitioners contend that the estimated economic savings from the discontinuance of the Glenwood post office is inaccurate. Gibson Petition at 1-2; Jackson Participant

Statement at 1; Knight Participant Statement at 1-2. Petitioners assert that the use of the postmaster's income to calculate estimated savings as opposed to the OIC is incorrect. *Id.* In addition, Petitioners criticize the Postal Service for failing to account for costs borne by customers travelling to other post offices and additional cost for delivery of mail throughout the community. Knight Participant Statement at 2. The Postal Service contends that such costs borne by customers are not included in the economic savings calculations. Postal Service Comments at 11. Furthermore, the Postal Service asserts that it will still achieve substantial economic savings from the discontinuance of the Glenwood post office even if the costs of adding customers to the highway contract route are included. *Id.*

The Commission has previously observed that the Postal Service should include in its estimate of savings those costs likely to be eliminated by the closing. The Glenwood post office postmaster was promoted on April 24, 2010. Final Determination at 2. The post office has since been staffed by a non-career OIC who, upon discontinuance of the post office, may be separated from the Postal Service. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67 United States Postal Service Comments Regarding Appeal, October 24, 2011, at 13; and Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the Glenwood post office has been staffed by an OIC for approximately a year and a half, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

Section 101(b). Section 101(b) prohibits closing any small post office solely for operating at a deficit. Petitioners allege that the Postal Service is closing the Glenwood post office solely for economic reasons. Jackson Petition at 2; Citizens of Glenwood at 1; Folmar Petition at 1.

To be sure, economics plays a role in the Postal Service's decision. However, the Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering workload at the Glenwood post office (revenues declining and averaging only 24 retail transactions per day), the Postal Service took into account other factors such as the postmaster vacancy, the minimal impact on the community, and expected financial savings. In addition, it considered the alternate delivery and retail options available to customers. Final Determination at 11.

The Postal Service did not violate the prohibition in section 101(b) on closing the Glenwood post office solely for operating at a deficit.

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Glenwood post office is affirmed.¹⁰

It is ordered:

The Postal Service's determination to close the Glenwood, Alabama post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

¹⁰ See footnote 3, *supra*.

DISSENTING OPINION OF CHAIRMAN GOLDWAY

The Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster's salary. Yet the Glenwood post office has been operated by a non-career officer-in-charge (OIC) since the former postmaster was promoted on April 24, 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only an OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand.

In addition, the economic analysis identified in the Final Determination does not account for the costs of replacement of rural or contract delivery service for the 142 customers currently provided post office boxes.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

I am also concerned about the distances between the Glenwood post office and the post office in Luverne offered as the administrative replacement office,¹¹ 10.3 driving miles distant. Several members of Congress have publicly expressed concern that post offices that are 10 miles apart should be maintained in rural areas. The Postmaster General has expressed interest in finding other ways to serve such distant post offices rather than close them altogether. Recent legislation has been introduced precluding the closure of a post office in cases where the nearest post office is more than 10 miles away. And the Commission in its recent Advisory Opinion (Docket No. N2011-1) found that using optimization modeling, the Postal Service could make better choices about which post offices to close that would assure adequate access in rural areas.

Further, the Commission has often expressed a concern—and I have consistently expressed the concern—that the maintenance of adequate service requires providing an adequate number of post boxes in the receiving facility. The Glenwood post office serves 142 post office box customers, yet the Luverne post office identified as the administrative replacement office has only 100 boxes available.¹² Thus, the record does not show that the Postal Service has sufficiently considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Moreover, the Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the

¹¹ The Final Determination offers confused language about the nature of the replacement post office. It says that delivery service will be provided by an independent post office under the administrative responsibility of the Luverne post office. But this description seems inapplicable to the situation in this community.

¹² While the Goshen post office, 6.4 driving miles away, has additional post office boxes available, it was not designated as the administrative receiving office. Therefore, any postal customer taking a post office box at that location would be giving up their Glenwood address.

review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Glenwood, Alabama and their concerns regarding the loss of a neighborhood post office should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since April 2010, not an EAS-13 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings.

The Mayor of Glenwood, Dan Jackson, questions the estimate of cost savings given that there is no cost for replacement service. Jackson Participant Statement at 1. Subsequently, the Postal Service filed an Addendum to the Administrative Record indicating that there would be a cost incurred if the customers of Glenwood elect to have street delivery. Postal Service Addendum at 1. The Addendum seeks to add post-record information for the Commission's consideration on appeal. However, by statute, the Commission may only consider "the record before the Postal Service in the making of such determination[s]." 39 U.S.C. § 404(d)(5). The Postal Service should adjust the economic savings to reflect the cost of replacement service, which surely must be greater than \$0.

I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the Glenwood post office and should be remanded.

Nanci E. Langley